TD interim solutions
International Business Expansion

Volume 1
Diagnose and Training

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extract

business gimmicks, volume 1: Diagnose and Training

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Your company is permanently subject to changing business conditions and uncertain economic factors. To remain competitive, it is crucial to permanently adapt to these changes and to implement continuously all possible improvements.

Why do companies start these changes and improvements time and again only in times of crisis or decreasing business?

The answer is mainly based on the following doctrines:

- We need external support for changes and improvements, this is expensive and leads to uncertainty in our company.
- Changes are time-consuming, too complicated and disturb the day to day activities.
- Our own employees are too busy and not able to initiate changes or improvements independently.

extract

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Regardless whether you are in a prosperous growing period or already in a decreasing situation it is crucial for the existence of your company, that you always implement all necessary changes and possible improvements.

A good starting position is always:

- well-directed anticipation and evaluation of potential changes
- analysis and early recognition of possible chances and risks
- permanent adaptation to changing factors
- frequent examination of all business processes and activities
- establishing a culture of continuous change for the better

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DIAGNOSE AND TRAINING is a tool and source of ideas for your continuous improvement. Applicable for every industry and each type of business, we considered the existing retentions in our approach. The first volume examines the starting point of your company, analysis your business orientation and shows implementations for basic improvements.

All proposed measures and instruments

- work without external consultants
- can and shall be accomplished by your own team
- can be realized with minor effort
- are transparent and simple
- and are immediately operational

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benefits

- ✓ “Diagnose and Training” can be integrated in your day to day business in no time => immediately operational
- ✓ All areas and processes are reviewed with regard to business conditions and ideal processes => diagnose of the starting point
- ✓ The integration of all departments create an open atmosphere with improved communication and interaction => process optimization
- ✓ The instruments stimulate the organization to eliminate the detected weak points => risk minimization
- ✓ The implementing steps are immediately operational and applicable for each area and industries => all-purpose
- ✓ The regular usage creates an awareness of problems, enables step by step improvements and leads to a changing attitude in your company => continuous improvement

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chapter 1: STARTING POINT

chapter 2: ORIENTATION

chapter 3: IMPLEMENTATION

extract

instruction

- use the „DIAGNOSE AND TRAINING“ cards regularly as driving force and source for ideas in your day to day business
- recognize your risks quickly and implement necessary improvements in no time
- the instruments include methods to handle and analyze the discussed topics, they can be easily implemented and individually adapted
- at the end of each segment a quick test analyzes your actual situation and proposes the respective instruments for improvement
- the different segments are completed on a standalone basis and can be worked through independently

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STARTING POINT

- object – vision – strategy
- products and services
- market
- customers
- competitors

extract

Chapter "starting point" describes general elements of the existence of your company.

Afterwards the interaction with economic conditions are examined, with the focus on:

- products and services
- market
- customer
- competitor

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To think and act like a successful entrepreneur can be categorized into following areas:

- growth
- potentials
- efficiency / cost reduction
- compliance / quality

All activities aim for the maximum exhaustion and development of these areas. Forward-looking actions and the anticipation of potential chances and risks build the basis.

Overall objective is the protection of the EXISTENCE of your company.

➢ **THINK IN THE LONG-TERM, ACT STEP BY STEP.**

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growth
maximum usage of available resources and structures (internally and externally) to exhaust all options

potentials
development and enhancement of available resources and structures to build and develop new opportunities

efficiency / cost reduction
adaptation to ideal processes and continuous change for the better

compliance / quality
accomplish best possible quality in products, processes und activities as well as building transparency and integrity

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Each entrepreneurial activity starts with the determination of the object of your company, your vision and the respective strategy to accomplish your goals. This definition is sole responsibility of the entrepreneur and the management respectively.

Horizon	Definition	Accomplishment
define the object of your company and the respective products and services.	determine your vision as basic long-term objective and orientation.	develop your strategy to accomplish the given objectives.

➢ **RECOGNIZE YOURSELF.**

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Object, vision and strategy of your company need to be reviewed and adapted permanently with regard to changing business conditions.

Indications of changing business conditions could be:

- political / legal changes
- market changes (e.g. competition, price pressure)
- changing behavior of your customers / suppliers
- social changes
- technological changes
- changes due to global trade
- …

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Progress by evolution

Which instruments / measures exist in your company to recognize changing business conditions and to adapt accordingly?

➢ **ADAPT YOURSELF.**

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U-1 Changes of business conditions, by priority and potential developments for the periods P-3 to P+3

U-2 Yearly strategy meeting with regard to changing business conditions

U-3 Regular examination of the business model

U-4 Review of product portfolio based on business conditions

U-5 New determination of company objectives (new focus in quality and quantity)

U-6 External growth: analysis of potential acquisitions and cooperation

U-7 Adaptation of investment / finance plan (build new structure)

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Question	YES	NO	I.	Remark
Are the business conditions regularly reviewed?			U-1	
Is the business model challenged on a frequent basis?			U-3	
Are stakeholders examined with regard to potential acquisitions or cooperation?			U-6	
Is the strategy adapted to changing business conditions?			U-2	
Are the company goals positioned to changing business conditions?			U-5	

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Question	YES	NO	I.	Remark
Is the product portfolio reviewed regarding changing business conditions?			U-4	
Are investments and projects analyzed regarding changing business conditions?			U-7	
Exist scenarios with regard to changing business conditions?			U-2	

extract

I. = possible instruments, if No

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Products and services are derived from the objective of your company.

They are subject to continuous evaluation and adaption due to changes of the market and business conditions. This is especially important in view of future impact and changes. Experiences from the past could be considered, however key is the predicted future development.

➢ **DEVELOP YOUR STENGHT.**

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Following areas should be considered:

- product-portfolio: balance between established, introduced and new developed products (product life cycle)
- performance feature: price, quality, functionality, technology, exclusivity, service and consulting, …
- competition: product reviews towards competitors (price/value indicator, performance features)
- growth and potential: market, market share and potential
- risk analysis: product dependency, market saturation, changing business conditions and competition

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The analysis of the product portfolio should be oriented by various points of view.

- economic success and growth
- stage of development
- balance and dependency
- competiveness

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P-1 Summary of revenue and profitability per product and market category for the periods P-1 to P+3

P-2 Portfolio analysis, market growth – relative market share

P-3 Analysis of potentials and level of market maturity

P-4 Scenarios for different product developments and success factors

P-5 Risk and competiveness analysis (pre-warning system)

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Be proud of your products.

extract

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products

- ✓ are the source of your company
- ✓ the best products for the best customers
- ✓ the signboard of your company

extract

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Question	YES	NO	I.	Remark
Is your product portfolio frequently reviewed towards growth and profitability?			P-1	
Are the performance features regularly examined?			P-3	
Are the products competitive due to performance features, price/performance indicator, market share?			P-2	
Is the product portfolio balanced (product lifecycle)			P-2	
Are the products represented in growth markets?			P-2	
Are all products introduced in the respective markets?			P-3	

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Question	YES	NO	I.	Remark
Are product developments and upgrades executed on a regular basis?			P-4	
Is the product portfolio examined due to changing business conditions?			P-5	
Are various product scenarios performed?			P-5	
Exist dependencies towards a product?			P-5	

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I. = possible instruments, if No

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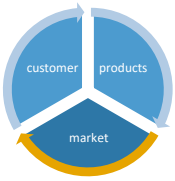
The relevant markets result from the object and the respective products and services of your company. The market is the maximum possible development for the selling of your products. It consists of various parts (e.g. regions, product segments, customer segments). The sort and selection of segmentation has impact to the entire organization structure.



➢ **EXPAND YOUR SCOPE.**

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Possible segmentations:

- geographical differentiation: countries, regions
- product groups
- target group characteristics: line of business, demography (gender, age, affinity)
- type of distribution: retail, supermarket, specialties
- type of purchaser: supplier, vendor, end customer
- type of utilization
- …

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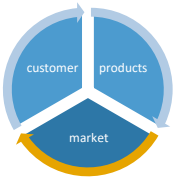
market development

Market development is about

- the change of existing markets due to possible trends, obstacles, growth potentials
- the recognition of market dynamic, - maturity and – volatility
- the prediction of possible developments
- the strategic adaptation towards potential changes



➢ **FOLLOW THE RIGHT DIRECTION.**

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Following questions occur:

- How can the company recognize changes in the market at an early stage?
- What impact have these changes for the company?
- What kind of adaptations are necessary to benefit from these effects?
- Which potentials and risks occur from these potential market changes?
- …

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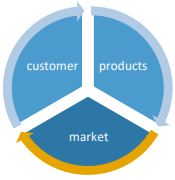
The analysis of market development orientates itself on the

- perception of the product performance features
- present situation and the duly realization of actual trends
- future development with given potential chances and risks



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Ma-1 Revenue and development of profit in various segments for the periods P-3 to P+1 due to market trends

Ma-2 Changes of product performance features for the periods P-3 to P-0

Ma-3 Development of a pre-warning system to recognize new trends and changing consumer behavior

Ma-4 Analysis of possible market potentials, - expansions and additional markets (chances and risks)

Ma-5 Scenarios for different market tendencies and preparation for strategic decisions

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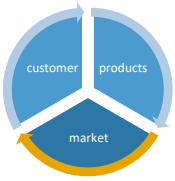
market position

The market position focus on:



- the position of your company towards important competitors and the respective market share
- the realization of your own chances and risks with regard to product features, market trends and obstacles
- the position of your company related to market changes

➢ **WHERE ARE WE? – WHERE DO WE WANT TO GO?**

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Following questions occur:

- What are the strengths and weaknesses towards the competitors?
- How did the competitors develop?
- How do competitors act at present and in the future?
- What are the influences of the market (opinion leader, politics, technology, macroeconomics)?
- …

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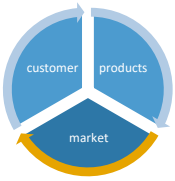
The market position should be examined for quantitative and qualitative criteria.



- quantitative indicators: sales, market share, market volume, consumer statistics, …
- qualitative measures: influences of the market, behavior of competitors, product life-cycle and technology development, …

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Ma-6 Analysis of product portfolio with revenue for the periods P-1 to P+3

Ma-7 SWOT analysis

Ma-8 Time series analysis for product life-cycle

Ma-9 Potentials-analysis

Ma-10 Pre-warning system for critical criteria

Ma-11 Development of growth strategies related to product performance features

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Question	YES	NO	I.	Remark
Are all markets categorized based on clear defined criteria?			Ma-1	
Is the categorization regularly reviewed based on present market conditions?			Ma-2	
Are market trends and changes analyzed on a regular basis?			Ma-3	
Are all markets categorized according growth and profitability?			Ma-4	
Are growth potentials and risks considered in the operating plan?			Ma-6	
Are competitors regularly reviewed based on market criteria?			Ma-7	
Exist scenarios for various market tendencies?			Ma-5	

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Question	YES	NO	I.	Remark
Are the performance features of the market regularly analyzed?			Ma-8	
Are competitors frequently reviewed with regard to performance features of the market?			Ma-9	
Are the results of the market analysis regularly communicated within the organization?			Ma-11	
Exist a pre-warning system for key performance features?			Ma-10	

extract

I. = possible instruments, if No

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customer

Basically customers are those market participants, who purchase our products directly and therefore create sales.

In general customers are the collectivity of all market participants, which means:

- existing customers
- new customers
- former customers
- potential customers

⇒ Each market participant is a (potential) customer.

➢ **SERVE THE CUSTOMER.**

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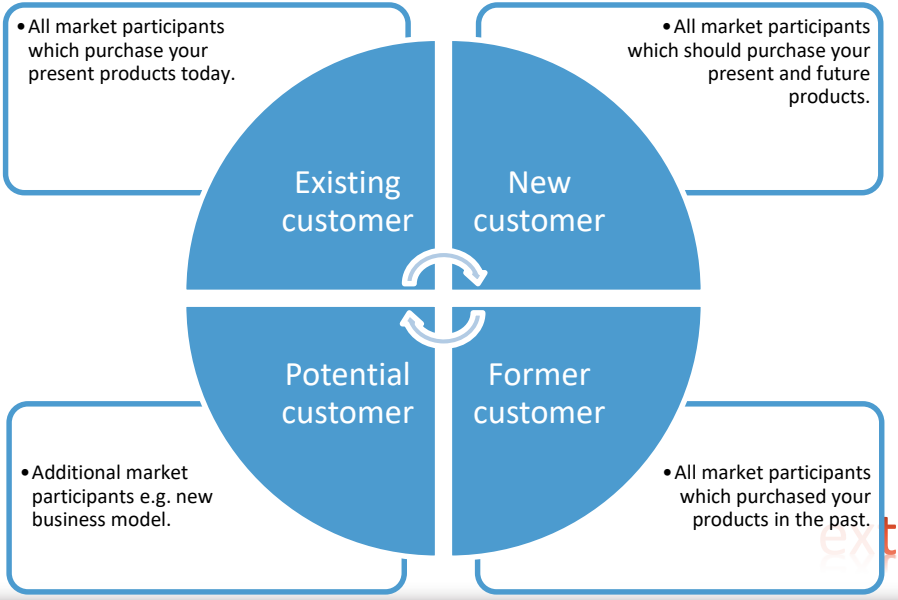
each market participant is a (potential) customer.



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Customer structures provide information about product performance features, possible market potentials and build the framework for standards and increase of efficiency.

Possible structures could be:

- classification: industries, demographic, gender, age, attitude
- regions
- scope of application
- product groups
- …

➢ **BUILD TRANSPARENCY.**

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K-1 Analysis of different structures with regard to pros and cons for sales, production, organization, development as well as market categorization

K-2 Sales and profit development by customer structure for the periods P-1 to P+3

K-3 Growth-potential analysis

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Customer categorization build an internal structure by various criteria. The categorization supports the organization' customer service and the ideal positioning to the customer.

Possible categorization could be:

- sales and growth
- potentials
- importance: A, B or C customer
- standard or customized clients
- …

➢ **SET PRIORITIES.**

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K-4 Sales and profit development by customer categorization for the periods P-1 to P+3

K-5 Growth rates of the different customer categories

K-6 Customer categorization (A,B or C) by volume, profit, growth, reliability and potential

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Growth and potential can be generated in the following areas:

- expansion of product portfolio with existing customers
- supplement of product range with upgrades and new versions
- development of service, spare-parts and maintenance
- development or acquisition of new products
- generation of a new or expanded business model
- …

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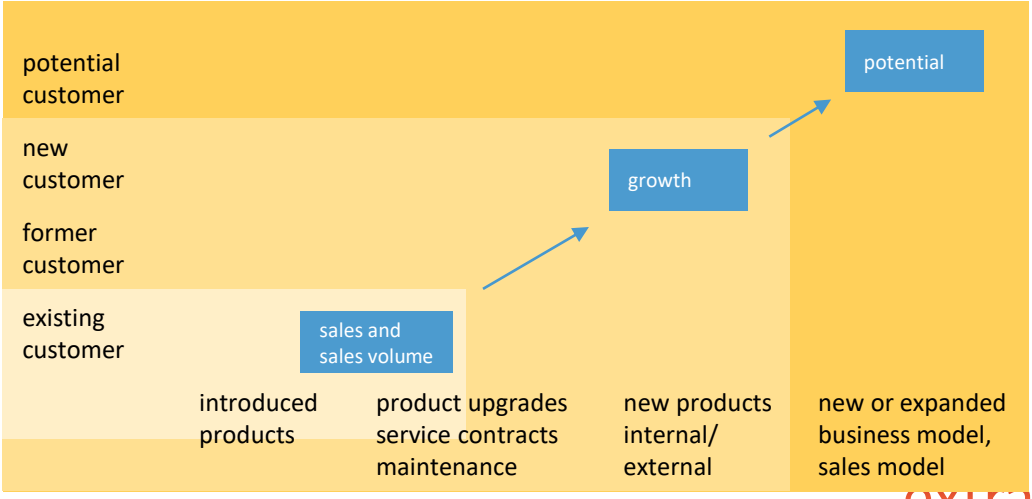
customer – growth and potential –



extract

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Beside the common customer relation instruments

- discounts/volume rebates/withdrawal of existing products-types
- expansion of product portfolio/new versions/upgrades
- offer of frequent service and maintenance, spare parts

the development and intensification of customer relations are the basis for growth and the exhaustion of potentials

- frequent customer and new customer contacts
- analysis of former customer
- adaptation and expansion of present business model

extract

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K-7 Standardized customer and new customer communication

K-8 Market analysis of all potential customer

K-9 Analysis of former customer with regard to performance features and competitors

K-10 Scenarios and alternative use of various sales channels

K-11 Development of existing products based on customer value and performance features

K-12 Analysis of all potential customer due to product adaptation and service expansion

extract

K-13 Analysis of current business model and value chain

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Foster your friendships.

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- ✓ customer is like a former, new or old friend
- ✓ foster your friendships, frequent contact and communication on all levels (marketing, sales, production, finance)
- ✓ customer is the expert for your product
- ✓ customer is ambassador and best advertiser for your company

extract

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Question	YES	NO	I.	Remark
Are all customers structured and categorized by importance?			K-2	
Are all customer potentials exhausted due to product selection and services?			K-3	
Tallies the customer structure with the present economic conditions?			K-1	
Exist analysis about customer development and criteria?			K-4	
Are the structures and decision makers of important customers known?			K-6	
Do you reach all potential customers with all products in all existing markets?			K-5	
Exist standards for customer contacts?			K-7	

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Question	YES	NO	I.	Remark
Are all sales channels and areas of contact exhausted in the market?			K-10	
Do you know the product performance features and competitors of new customers?			K-8	
Are products/processes regularly reviewed due to potential customers?			K-12	
Do you frequently review your products with regard to performance features and customer value?			K-11	
Do you recurrently examine your business model and value chain?			K-13	
Do you analyze former customers and do you contact them in a regular manner again?			K-9	

extract

I. = possible instruments, if No

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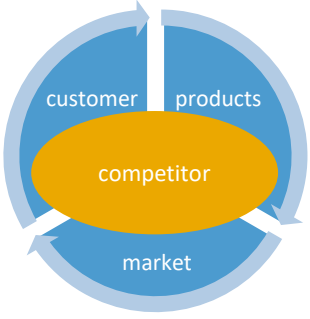

competitor

There is a direct connection between the products, the existing markets and the respective customers. All factors need to be considered dependent to each other.

A change of one factor has direct impact to the other parameters. An overall impact to all parameters have the related competitors.

extract

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Possible questions:

- Who are the most important competitors in the various market segments, customer categories and types of product?
- What distinguishes your company from the competitors (strength/weaknesses)
- What needs to be changed or improved to close the gap and to keep or increase the advantage respectively?
- …

➢ **REALIZE AND KNOW YOUR COMPETITOR.**

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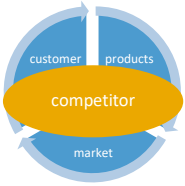
influencing factors



Competitors determine beside the price also the quality, technology and the functionality of the products in the respective markets.

It is crucial for the success of your company that you either lead these parameters, which means to be better than the competitor with regard to cost/value relation or to distinguish yourself by other niches or additional benefits.

➢ **LEARN FROM THE BEST.**

extract

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M-1 Categorization of important competitor with regard to crucial performance features (price, quality, functionality, exclusivity,…)

M-2 Market analysis – starting from the actual market share of your company and a SWOT analysis of your current products, these products are compared and evaluated to the most important competitors (market share)

M-3 Analysis of the business model of the most important competitors

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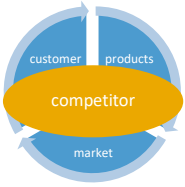

Never be satisfied,

but do always your best.

extract

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competitor

- ✓ determines standards and sets guidelines
- ✓ serves as motivator and source of ideas
- ✓ is the impulse for innovation
- ✓ stimulates your company, to always do your best

extract

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Question	YES	NO	I.	Remark
Are all important competitors in all areas and categories known and categorized?			M-1	
Are all competitors frequently reviewed due to changes and developments?			M-2	
Are all pros and cons of the competitors as well as their performance features known?			M-2	
Are the business models of important competitors known?			M-3	
Do you examine on a regular basis potential cooperation and acquisitions?			U-6	
Are the differences of the competitors clearly carved out and communicated?			Ma-11	

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Question	YES	NO	I.	Remark
Are the pros and cons of important competitors communicated in the company?			Ma-10	
Is there a process to close the gap to the competitor or to increase the advance respectively?			Ma-11	
Exist a clear defined strategy towards the important competitors and is this strategy communicated in the company?			Ma-5	

extract

I. = possible instruments, if No

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Area	Activity	Responsible	Due date

extract

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Area	Activity	Responsible	Due date

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